

ASX release

6 April 2017

## Significantly oversubscribed equity raising to fund growth

- Acquisition of a major debt portfolio with a \$14 million investment
- Funded by a \$15 million placement to professional and sophisticated investors and a \$5 million fully underwritten rights issue to existing shareholders
- Remaining proceeds will fund other portfolio acquisitions and growth opportunities
- Pioneer has established a strategic partnership with Rewardle

### Major portfolio acquisition

Pioneer Credit Limited (ASX: PNC) has completed a significantly oversubscribed \$15 million placement, with a further \$5 million to be raised through a fully underwritten non-renounceable rights issue to existing shareholders. Pioneer will use the funds to pursue a number of growth opportunities, most significantly the acquisition of a \$14 million purchased debt portfolio (“PDP”).

The acquisition of the PDP, which has a face value of \$94 million, is from an ASX 200 company. The PDP has a significant proportion of non-defaulted customers and further contributes to a portfolio geographic distribution which is representative of the general Australian population.

Following the recruitment of an additional 100 full-time equivalent employees (as announced in February 2017), the Company will be able to service these new customers from its existing operations and expects to generate strong returns. In addition, there is significant potential to provide the new customers with access to a range of financial products after Pioneer has helped them rehabilitate their creditworthiness, thereby generating additional value at lower credit risk and cost.

Managing Director, Keith John, said: “Pioneer was the successful bidder in the recent competitive tender process for this PDP because our differentiated model of helping the customer is both beneficial to them and the vendor. This acquisition sits well with Pioneer’s strategic objectives at a price point consistent with other investments we have made. We expect it to deliver strong financial returns.”

### Equity raising

The \$20 million equity raising (before costs) has been achieved through a \$15 million placement of fully paid ordinary shares to institutional and sophisticated investors, and a \$5 million fully underwritten non-renounceable rights issue to existing shareholders. The placement was significantly oversubscribed in a strong show of support from existing and new institutional and sophisticated investors.

The equity raising comprises the issue of approximately 10 million shares at an offer price of \$2.00 per share. The offer price represents a discount of 5.2% to last close and a 4.7% discount to the 20-day volume weighted average price of Pioneer.

The equity raising is structured as:

- **Placement:** issue of ~7.5 million shares under the Company’s existing placement capacity, pursuant to ASX Listing Rule 7.1, to raise ~\$15 million; and
- **Rights Issue:** issue of ~2.5 million shares through a fully underwritten 1-for-20 non-renounceable rights issue to existing shareholders to raise ~\$5 million

Shareholders whose details appear on the Company’s register as at 11 April 2017 with a registered address in Australia and New Zealand will be eligible to participate in the Rights Issue.

New shares issued under the equity raising will rank equally with existing Pioneer ordinary shares. New shares issued under the Placement will not be eligible to participate in the Rights Issue.

The funds raised from the equity raising are intended to be used to:

- Finance the \$14 million investment in a major PDP from an ASX 200 company.
- Fund additional PDP investments (of up to \$5 million) from existing agreements on attractive terms (terms agreed but not yet contracted)
- Surplus funds to be utilised for further PDP acquisitions and growth opportunities

Mr John said, “The considerable support shown during this capital raising is a strong vote of confidence from the investment community in Pioneer’s team, business model and strategy. Pioneer is well positioned to provide superior service to our new customers, drive further growth in the Company’s financial product offering and deliver outstanding shareholder value.”

The proposed timetable for the equity raising is as follows:

Event	Date
Announcement of the Rights Issue	
Cleansing Notice, Appendix 3B and Rights Issue Offer Document lodged with ASX	Thursday, 6 April 2017
"Ex" date for the Rights Issue (being the date that Shares start trading without the Entitlements to participate in the Rights Issue)	Monday, 10 April 2017
Record Date to determine Entitlements under the Rights Issue	Tuesday, 11 April 2017
Settlement of Placement	Wednesday, 12 April 2017
Allotment of New Shares (Placement)	Thursday, 13 April 2017
Opening Date of Rights Issue	
Despatch of the Rights Issue Document and Entitlement and Acceptance Form to Eligible Shareholders	Thursday, 13 April 2017

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Closing Date for acceptances under the Rights Issue	Monday, 1 May 2017
New Shares quoted on a deferred settlement basis	Tuesday, 2 May 2017
ASX notified of under subscriptions under the Rights Issue	Wednesday, 3 May 2017
Issue of the New Shares (deferred settlement trading ends)	Monday, 8 May 2017
Trading of New Shares expected to commence	Tuesday, 9 May 2017

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The proposed timetable is indicative only and subject to the ASX Listing Rules, and the above dates may change without notice.

Bell Potter Securities Limited is acting as sole Lead Manager to the Equity Raising and Underwriter to the Rights Issue, and Vesparum Capital is acting in an independent capital markets advisory role for Pioneer.

### **Strategic partnership with Rewardle**

Pioneer has executed a binding term sheet to enter into a strategic partnership with Rewardle Holdings Limited (ASX: RXH), an exciting and growing digital customer loyalty and rewards marketing platform. Pioneer has been granted exclusive rights to market personal lending products to Rewardle's growing membership base of approximately 2.3 million people. This strategic partnership broadens Pioneer's customer reach and accelerates the expansion and diversification of Pioneer's financial product offering.

For further information, please refer to Rewardle's announcement on 4 April 2017.

### **Investor and media enquiries:**

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### **About Pioneer**

Pioneer Credit is an Australian financial services provider, specialising in acquiring and servicing unsecured retail debt portfolios.

Pioneer began life as a financial services provider to people in financial difficulty. Today, with more than 160,000 customers across Australia and New Zealand, we continue to focus on helping people get their finances back on track and achieve their financial goals.

In 2016, we commenced the next chapter in our growth story, with the launch of a range of products to our customers. Ultimately, our aim is to help customers achieve home ownership, using loans we will broker back through our valued banking partners.

For further information about Pioneer see [www.pioneercredit.com.au](http://www.pioneercredit.com.au)